

# TAX FILING ENGAGEMENT LETTER

Name of Accountant/Bookkeeper: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Website: \_\_\_\_\_

Phone: \_\_\_\_\_

## Tax Preparation Engagement Letter

Thank you for choosing our firm, \_\_\_\_\_ ("Accountant") to assist you with your tax returns. This letter confirms the terms of my engagement with you and outlines the nature and extent of the services I will provide.

I will prepare your federal and state income tax returns. I will depend on you to provide the information I need to prepare complete and accurate returns. I may ask you to clarify some items but will not audit or otherwise verify the data you submit. I may or may not provide a checklist to help you collect the data required for your return, and will help you avoid overlooking important information.

Information you provide will be kept confidential. I restrict access to your information and maintain physical, electronic and procedural safeguards to protect your information.

I will perform accounting services only as needed to prepare your tax returns. My work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. I will, of course, inform you of any material errors, fraud, or other illegal acts I discover. The law imposes penalties when taxpayers underestimate their tax liability. Please contact me if you have concerns about such penalties.

Should I encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, I will outline the reasonable courses of action and the risks and consequences of each. I will ultimately adopt, on your behalf, the alternative you select.

My fee will be based on the complexity of the return, and will be quoted in advance of my work. The number of hours it will take to complete the return is not guaranteed but the hourly rate I charge is \$\_\_\_\_\_ / hour. However, if complications are discovered in the process of preparing your tax return, I may need to adjust the fee. Before proceeding with preparation of the return, I will generally contact you in advance if my original quote requires significant revision due to the amount of work involved. Invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

I will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove accuracy and completeness of a return. I will electronically retain copies of your records and our work papers for your engagement for seven years, after which these documents will be destroyed.

If your tax return is selected for audit by the IRS or by the state tax authorities, I am available to represent you or to prepare materials in response to correspondence. However, these are additional expenses not included in my tax preparation fees and I will render additional invoices for the time and expense incurred. Please let me know right away if you receive any letters from the IRS or any other tax agency. I will correct your return for free and pay any penalties if I am at fault. However, I am not responsible for payment of any taxes owed.

My engagement to prepare your tax returns will conclude with the delivery of the completed returns to you (if paper-filing), or your signature and our subsequent submittal of your tax return (if e-filing). If I am not able to e-file your returns, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

This letter can apply to future years of tax preparation services unless the agreement is terminated or amended in writing.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to me in the envelope provided, or electronically.

I appreciate your confidence in me. Please call if you have any questions.

Sincerely,

\_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

I, the Client, agree to the aforementioned terms and conditions with my hand and signature below:

\_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_